

Law Offices of

CHAPMAN AND CUTLER

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18975-D

November 14, 1994

Mr. Vernon A. Williams, Acting Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

Re: Indiana Michigan Power Company
Leveraged Lease Financing of
376 Aluminum-bodied, Rotary-Dump
Gondola Rail Cars

18975-E

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11303 of Title 49 of the United States Code, two original copies of each of the two secondary documents described below, which secondary documents are related to the previously recorded primary documents also identified below. As one of the attorneys representing the Note Purchaser in this transaction, I have knowledge of the matters described in this letter.

The enclosed secondary documents are as follows:

- (1) Lease Supplement No. 2, dated November 14, 1994 between Indiana Michigan Power Company, as Lessee and Shawmut Bank Connecticut, National Association, as Lessor; and
- (2) Security Agreement Supplement No. 2, dated November 14, 1994, between Shawmut Bank Connecticut, National Association, as Debtor and Wilmington Trust Company, as Security Trustee.

The primary documents to which the enclosed secondary documents relate are as follows:

- (1) Railcar Lease, dated as of August 1, 1994, between Shawmut Bank Connecticut, National Association, as lessor (the "Lessor"), and Indiana Michigan Power Company, as lessee (the "Lessee"), which was recorded on September 9, 1994 and assigned recordation number 18975; and

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(2) Security Agreement-Trust Deed, dated as of August 1, 1994 (the "*Security Agreement*"), between Shawmut Bank Connecticut, National Association, as debtor (the "*Debtor*"), and Wilmington Trust Company, as security trustee (the "*Security Trustee*"), which was recorded on September 9, 1994 and assigned recordation number 18975-A.

The Capitalized terms used herein and not otherwise defined herein shall have the respective meanings specified in Annex 1 to the Security Agreement.

The names and addresses of the parties to the documents are as follows:

LEASE SUPPLEMENT NO. 2

Lessee: Indiana Michigan Power Company
c/o American Electric Power
Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

Lessor: Shawmut Bank Connecticut, National Association
777 Main Street
Hartford, Connecticut 06115

SECURITY AGREEMENT SUPPLEMENT NO. 2

Debtor: Shawmut Bank Connecticut, National Association
777 Main Street
Hartford, Connecticut 06115

Security Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Lease Supplement No. 2, between the Lessor and the Lessee, and Security Agreement Supplement No. 2 between the Debtor and the Security Trustee provide, *inter alia*, for the Railcar Lease, dated as of August 1, 1994, between Shawmut Bank Connecticut, National Association, as lessor (the "*Lessor*"), and Indiana Michigan Power Company, as lessee (the "*Lessee*"), which was recorded on September 9, 1994 and assigned recordation number 18975, and the Security Agreement-Trust Deed, dated as of August 1, 1994, between Shawmut Bank Connecticut, National Association, as debtor (the "*Debtor*"), and Wilmington

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Trust Company, as security trustee (the "*Security Trustee*"), which was recorded on September 9, 1994 and assigned recordation number 18975-A, to apply to certain railcars (the "*Equipment*") bearing the car numbers set forth in the Lease Supplement, namely the car numbers set forth in Exhibit A hereto.

The description of the Equipment covered as of the date hereof by the aforesaid Lease Supplement No. 2 and Security Agreement Supplement No. 2 is as set forth on Exhibit A hereto.

A fee of thirty-six dollars (\$36.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Commission for recordation to:

Elizabeth C. Sheil, Esq.
Chapman and Cutler
111 West Monroe, Suite 1400
Chicago, Illinois 60603-4080

A short summary of each of the documents to appear in the index follows:

(1) LEASE SUPPLEMENT NO. 2:

Lease Supplement No. 2 between Shawmut Bank Connecticut, National Association, as Lessor, 777 Main Street, Hartford, CT 06115, and Indiana Michigan Power Company, as Lessee, c/o American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215, dated November 14, 1994, covering Equipment bearing the car numbers set forth in such Lease Supplement No. 2, namely car numbers set forth in Exhibit A hereto. Lease Supplement No. 2 is related to the Railcar Lease between the Lessor and the Lessee dated as of August 1, 1994, which was previously recorded on September 9, 1994 and assigned recordation number 18975.

(2) SECURITY AGREEMENT SUPPLEMENT NO. 2:

Security Agreement Supplement No. 2 between Shawmut Bank Connecticut, National Association, as Debtor, 777 Main Street, Hartford, CT 06115, and Wilmington Trust Company, as Security Trustee, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, dated November 14, 1994, securing the obligations of the Debtor and the Lessee relating to Equipment bearing car numbers set forth in such Security Agreement Supplement No. 2, namely car numbers set forth in Exhibit A hereto. The Security Agreement Supplement No. 2 is related to the Security

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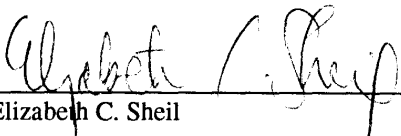
Mr. Vernon A. Williams, Acting Secretary
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Agreement-Trust Deed between the Debtor and the Security Trustee, dated as of August 1, 1994, which was previously recorded on September 9, 1994 and assigned recordation number 18975-A.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3849).

Sincerely,

CHAPMAN AND CUTLER

By 
Elizabeth C. Sheil

ECS/fh
Enclosure

Law Offices of
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EXHIBIT A

50 new 120-ton aluminum-bodied, rotary-dump gondola railcars suitable for carrying coal, as more specifically described below:

CAR INITIALS	CAR NUMBERS
AEPX	4791
AEPX	4792
AEPX	4793
AEPX	4794
AEPX	4795
AEPX	4796
AEPX	4797
AEPX	4798
AEPX	4799
AEPX	4800
AEPX	4801
AEPX	4802
AEPX	4803
AEPX	4804
AEPX	4805
AEPX	4806
AEPX	4807
AEPX	4808
AEPX	4809
AEPX	4810
AEPX	4811

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CAR INITIALS	CAR NUMBERS
AEPX	4812
AEPX	4813
AEPX	4814
AEPX	4815
AEPX	4816
AEPX	4817
AEPX	4818
AEPX	4819
AEPX	4820
AEPX	4821
AEPX	4822
AEPX	4823
AEPX	4824
AEPX	4825
AEPX	4826
AEPX	4827
AEPX	4828
AEPX	4829
AEPX	4830
AEPX	4831
AEPX	4832
AEPX	4833
AEPX	4834
AEPX	4835
AEPX	4836
AEPX	4837

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CAR INITIALS	CAR NUMBERS
AEPX	4838
AEPX	4839
AEPX	<u>4840</u>
TOTAL CARS	50

Interstate Commerce Commission
Washington, D.C. 20423

11/14/94

OFFICE OF THE SECRETARY

Elizabeth C. Sheil, Esquire
Chapman And Cutler
111 West Monroe Street
Chicago, Illinois 60603-4080

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/14/94 at 11:30AM, and assigned recordation number(s). 18975-D and 18975-E.

Sincerely yours,

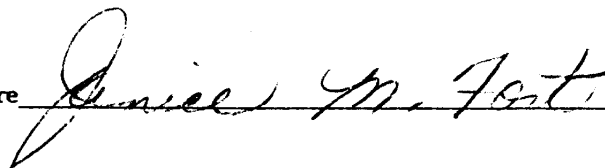

Vernon A. Williams
Secretary

Enclosure(s)

(0100429035)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



18975-D

LEASE SUPPLEMENT NO. 2

THIS LEASE SUPPLEMENT NO. 2 dated as of November 14, 1994 between SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, not individually but solely as Owner Trustee under Indiana Michigan Power Trust No. 94-1 ("Lessor"), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation ("Lessee"),

WITNESSETH:

1. Lessor and Lessee have heretofore entered into a Railcar Lease dated as of August 1, 1994 (the "Lease") providing for the execution and delivery of Lease Supplements substantially in the form hereof. The terms defined in the Lease shall have the same meanings when used herein.

2. Lessee hereby acknowledges and confirms that on or prior to the date hereof, the Equipment described in Schedule 1 attached hereto has been delivered and assembled. Lessee represents that the Equipment is free and clear of all liens and encumbrances.

3. Lessee hereby certifies that the date of acceptance of the Equipment and commencement of the Lease Term with respect thereto is November 14, 1994.

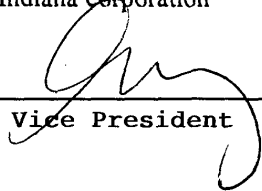
4. Lessee hereby certifies that such Purchase Price for the Equipment as of the date hereof is \$2,181,185.50.

5. Interim Rent for the Equipment is payable in the amount set forth in Section 6(a) of the Lease on December 30, 1994. Fixed Rent, Stipulated Loss Values and Termination Values for the Equipment is payable in the amounts and on the Rent Payment Dates set forth in Schedule 2 attached hereto.

Counterpart No. 3 of 12.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed,
all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY,
an Indiana corporation

By _____
Its Vice President

SHAWMUT BANK CONNECTICUT, NATIONAL
ASSOCIATION, not individually but solely
as Owner Trustee under Indiana Michigan
Power Trust No. 94-1

By _____
Its

STATE OF OHIO)
) SS.:
COUNTY OF FRANKLIN)

On this, the 8th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared G. P. MALONEY, Vice President of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Mary M. Soltesz
Name: Mary M. Soltesz
Notary Public
My Commission Expires: 7-12-99
Residing in Reynoldsburg, OH

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the _____ day of _____, 1994, before me, a Notary Public in and for said County and State, personally appeared _____, the _____ of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, who acknowledged himself to be a duly authorized officer of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

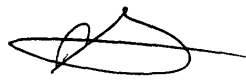
Name:
Notary Public
My Commission Expires:
Residing in _____

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed,
all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY,
an Indiana corporation

By _____
Its

SHAWMUT BANK CONNECTICUT, NATIONAL
ASSOCIATION, not individually but solely
as Owner Trustee under Indiana Michigan
Power Trust No. 94-1


By ALAN B. O'NEELY
Its ASSISTANT VICE PRESIDENT

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the _____ day of _____, 1994, before me, a Notary Public in and for said County and State, personally appeared _____, the _____ of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF **CONNECTICUT**)
) SS.:
COUNTY OF **HARTFORD**)

On this, the 8th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared ALAN B. COFFEE, ASSISTANT VICE PRESIDENT SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, who acknowledged himself to be a duly authorized officer of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Dawn P. Heintz
Name:
Notary Public
My Commission Expires:
Residing in Simsbury, CT **DAWN P. HEINTZ**
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 1997

DESCRIPTION OF EQUIPMENT

50 new 120-ton aluminum-bodied, rotary-dump gondola railcars suitable for carrying coal, as more specifically described below:

CAR INITIALS	CAR NUMBERS
AEPX	4791
AEPX	4792
AEPX	4793
AEPX	4794
AEPX	4795
AEPX	4796
AEPX	4797
AEPX	4798
AEPX	4799
AEPX	4800
AEPX	4801
AEPX	4802
AEPX	4803
AEPX	4804
AEPX	4805
AEPX	4806
AEPX	4807
AEPX	4808
AEPX	4809
AEPX	4810
AEPX	4811
AEPX	4812
AEPX	4813
AEPX	4814
AEPX	4815
AEPX	4816
AEPX	4817
AEPX	4818
AEPX	4819

Schedule 1
(to Lease Supplement No. 2)

CAR INITIALS	CAR NUMBERS
AEPX	4820
AEPX	4821
AEPX	4822
AEPX	4823
AEPX	4824
AEPX	4825
AEPX	4826
AEPX	4827
AEPX	4828
AEPX	4829
AEPX	4830
AEPX	4831
AEPX	4832
AEPX	4833
AEPX	4834
AEPX	4835
AEPX	4836
AEPX	4837
AEPX	4838
AEPX	4839
AEPX	4840
TOTAL CARS	50

SCHEDULE OF FIXED RENT

RENT PAYMENT DATE	RENT INSTALLMENT FOR THE ITEM OF EQUIPMENT EQUAL TO PURCHASE PRICE OF THE ITEM OF EQUIPMENT TIMES THE FOLLOWING FIXED RENT FACTOR
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30-Dec-94	0.0000000%
30-Jun-95	3.8358308%
30-Dec-95	3.8358308%
30-Jun-96	3.8358308%
30-Dec-96	3.8358308%
30-Jun-97	3.8358308%
30-Dec-97	3.8358308%
30-Jun-98	3.8358308%
30-Dec-98	3.8358308%
30-Jun-99	3.8358308%
30-Dec-99	3.8358308%
30-Jun-00	3.8358308%
30-Dec-00	3.8358308%
30-Jun-01	3.8358308%
30-Dec-01	3.8358308%
30-Jun-02	3.8358308%
30-Dec-02	3.8358308%
30-Jun-03	3.8358308%
30-Dec-03	3.8358308%
30-Jun-04	3.8358308%
30-Dec-04	3.8358308%
30-Jun-05	3.8358308%
30-Dec-05	3.8358308%
30-Jun-06	3.8358308%
30-Dec-06	3.8358308%
30-Jun-07	3.8358308%
30-Dec-07	3.8358308%
30-Jun-08	3.8358308%
30-Dec-08	3.8358308%
30-Jun-09	3.8358308%
30-Dec-09	3.8358308%
30-Jun-10	3.8358308%
30-Dec-10	3.8358308%
30-Jun-11	3.8358308%
30-Dec-11	3.8358308%
30-Jun-12	3.8358308%
30-Dec-12	3.8358308%
30-Jun-13	3.8358308%
30-Dec-13	3.8358308%
30-Jun-14	3.8358308%
30-Dec-14	3.8358308%

SCHEDULE 2
(to Lease Supplement No. 2)

SCHEDULE OF
STIPULATED LOSS VALUE AND TERMINATION VALUE

RENT PAYMENT DATE	STIPULATED LOSS VALUE OR TERMINATION VALUE, AS A PERCENT OF THE PURCHASE PRICE OF THE ITEM OF EQUIPMENT (IN ADDITION TO FIXED RENT INSTALLMENT FOR SUCH ITEM OF EQUIPMENT DUE ON SUCH DATE)
30-Dec-94	104.7937048%
30-Jun-95	104.8270397%
30-Dec-95	104.7042330%
30-Jun-96	104.1769124%
30-Dec-96	103.6752953%
30-Jun-97	102.8777141%
30-Dec-97	102.0905941%
30-Jun-98	101.1865033%
30-Dec-98	100.1777427%
30-Jun-99	99.0710910%
30-Dec-99	97.8550722%
30-Jun-00	96.5360078%
30-Dec-00	95.1236020%
30-Jun-01	93.6540164%
30-Dec-01	92.1249542%
30-Jun-02	90.5340281%
30-Dec-02	88.8787554%
30-Jun-03	87.1565535%
30-Dec-03	85.3790255%
30-Jun-04	83.5564199%
30-Dec-04	81.6939367%
30-Jun-05	79.7843684%
30-Dec-05	77.8330299%
30-Jun-06	75.8323692%
30-Dec-06	73.7879574%
30-Jun-07	71.6956406%
30-Dec-07	69.5628465%
30-Jun-08	67.3810485%
30-Dec-08	65.1576571%
30-Jun-09	62.8835084%
30-Dec-09	60.5666754%
30-Jun-10	58.1973113%
30-Dec-10	55.7842069%
30-Jun-11	53.3167814%
30-Dec-11	50.8046021%
30-Jun-12	48.2362960%
30-Dec-12	45.6222861%
30-Jun-13	42.9503383%
30-Dec-13	40.2317991%
30-Jun-14	37.4988082%
30-Dec-14	35.0000000%